

1999 ANNUAL REPORT REGARDING PROPERTY TAX ADMINISTRATION



GEORGIA DEPARTMENT OF REVENUE

January 20, 2000

T. Jerry Jackson
Commissioner

Commissioner's Report to the General Assembly

Regarding Property Tax Administration

Georgia Department of Revenue

January 20, 2000

HIGHLIGHTS OF ANNUAL REPORT

DIGEST REVIEW:

- ! The Revenue Commissioner continues to insure uniformity and equalization between and within counties using the same procedures enacted in 1992, and in the manner prescribed in Article 5A of Chapter 5 of Title 48.
- ! Of the 53 counties falling in the 1998 review year, 13 county ad valorem tax digests failed to meet the state standards for approval, compared to 9 counties in 1997. As a result, \$190,925 was assessed in penalties and \$202,842 in additional state tax and interest.
- ! Of the other 106 counties, 22 county ad valorem tax digests failed to have an acceptable overall average assessment ratio, compared to 20 in 1997. As a result, additional state tax and interest in the amount of \$667,222 was assessed these 22 counties.
- ! The average level of assessment, as measured by the Median, has fallen from 38.58% in tax year 1993 to 36.95% for tax year 1998. Even so, the assessment level remains within the acceptable standard of 36.00% to 44.00%.
- ! The average level of uniformity, as measured by the Coefficient of Dispersion, has decreased from 15.05% in 1993 to 12.12% for 1998, indicating continued improvement in this statistical measure.
- ! The average level of assessment bias, as measured by the Price Related Differential, has also shown continued improvement; a measure of 100.84% in 1998, compared to 102.43% in 1993.
- ! Assessed values reached a high of 171.8 billion in 1998 or a 9.3% increase from the values reported in 1997; while the average millage rate of 24.76 decreased less than 2% from 1997 to 1998.

PUBLIC UTILITIES:

- ! The statewide average equalization ratio for public utility property in 1998 was 37.27% compared to 37.42% in 1998. Though decreasing, we do not expect a continuation, as counties are performing revaluations that are expected to improve the statewide average in future years.
- ! Equalization ratios for 94 of the 159 counties were proposed at a ratio less than 40%.

PREFERENTIAL AGRICULTURAL ASSESSMENT:

- ! Since the implementation of Preferential Agricultural Assessment in 1984, the number of parcels in this program has risen from approximately 10,000 to more than 23,000; the amount of value eliminated from the digests has increased from 86.9 million to 189.2 million; and the total tax dollar lost has increased from 1.6 million to 4.7 million.
- ! In 1992, 1993, and 1994, interest in the Preferential Agricultural Assessment program began to drop. We feel that this is a direct effect of the implementation of Conservation Use Valuation, however, since 1995, interest in the Preferential Agricultural Assessment program has picked up again and is expected to continue to grow.

CONSERVATION USE VALUATION:

- ! Since the implementation of Conservation Use Valuation in 1992, the number of parcels in this program has risen from approximately 16,000 to more than 51,000; the amount of value eliminated from the digests has increased from 395.8 million to approximately 1.5 billion; and the total tax dollar lost has increased from 8.9 million to approximately 38 million.
- ! Interest in the Conservation Use Valuation is expected to continue to grow as property valuations increase.

TIMBER TAXATION:

- ! Since 1992, values reported for timber sales and harvests have increased from 493.1 million to 755 million or 53%, while the revenues for the same time period have increased from 11.5 million to 19.3 million, or approximately 68%.
- ! Prior to 1996, each quarter the Department was required to develop a Table of Owner Harvest Timber Values report used by timber companies and individuals for reporting the value of timber harvested from their own land. In 1996, the change to O.C.G.A. 48-5-7.5 requiring that this be done on an annual basis has definitely saved the Department time and personnel costs.

GEORGIA APPRAISAL PROCEDURES MANUAL:

- ! For approximately 2 years the Department has been developing the Georgia Appraisal Procedures Manual (APM).
- ! Interested Parties involved in the development of this manual number as many as 110 individuals.
- ! Six Task Force groups were formed.
- ! APM Groups were represented by individuals from the Department of Revenue, local government, industry, homeowners, the Attorney General's Office, and the legal community.
- ! Seven drafts were circulated and four statewide public hearings held.
- ! In August, 1999, the Department started the promulgation of Rules and Regulations establishing the Georgia Appraisal Procedures Manual and the manual was adopted on or about October 11, 1999.

SATELLITE IMAGERY PROJECT:

- ! In Fiscal Year 1999, \$150,000 was funded for the implementation of the Satellite Imagery Project, whereby, many different data was consolidated into an easy to use program for the identification of land cover changes that is being used by the counties to detect unreported timber harvests. The data also includes Georgia Department of Transportation road network coverage, digital photographs, and digital topographical maps.
- ! During 1999, each county received its own data on CD's.
- ! Training seminars were held providing county tax officials with information and instruction on the use of the program. Continued training is being developed and the program is being incorporated in the various courses offered to county tax officials as part of the Department's Georgia Certification Program for County Tax Assessors and Appraisers.

RECOMMENDATIONS:

- ! Increase the level of state appraisal expertise provided to the counties.
- ! Provide the Department with the necessary funds for the continued development and maintenance of the Appraisal Procedures Manual.
- ! Provide the Department with the necessary funding for the administration of Governor Barnes' "Taxpayer Bill of Rights" legislation effective January 1, 2000 and the "Homeowner Tax Relief Grants".
- ! Continue funding for Satellite Imagery Project.
- ! Provide the Department with the necessary funds to conduct research into rapidly evolving technologies as required by O.C.G.A. Section 48-5-270.
- ! Reinstate budget funds for Staff Grants and minimum staff supplements.

Reporting Requirements

The Commissioner's responsibility for continuing to provide the General Assembly with the effect of property tax administration and the continued enactment of laws created by legislation and administered by the Department of Revenue, Property Tax Division are as follows:

- ! O.C.G.A. Section 48-5-349.5 requires the examination of the digest of each county to ensure that all property valuations are reasonably uniform and equalized among the counties and within the counties. This code section provides for a status report on this review process along with the Commissioner's observations regarding the progress of the counties in ad valorem tax administration.

- ! O.C.G.A. Section 48-5-7.1 requires the submission of a report showing the fiscal impact of the law providing for the preferential assessment of tangible real property devoted to agricultural use. Qualified farm property is assessed at 75% of the value under this program and this report analyzes the effect of this program on taxpayers and levying authorities.

- ! O.C.G.A. Section 48-5-7.4 requires a report showing the fiscal impact of the law providing for conservation use assessment of certain agricultural properties attendant with this code section. Qualified farm property is assessed at its current use value using a table of values established by the Commissioner following specific legal procedures. This report analyzes the adverse fiscal impact, if any, on other taxpayers and levying authorities.

The Commissioner believes these separate reporting requirements are important in maintaining the awareness of the impact of these enactments.

Digest Review Procedures

The Commissioner, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment¹, uniformity², and equalization³.

Article 5A of Chapter 5 of Title 48 establishes the procedure for the Commissioner to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

As directed by the legislature, the Commissioner has adopted a three-year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties, which do not meet the criteria, set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. The Commissioner approves any county's digest as being reasonably uniform and equalized if the digest meets certain standards:

For those digests submitted by counties in their digest review year, the Commissioner completes his review on or before August 1 of the following tax year. Based upon this review, the Commissioner will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

the average level of assessment for each class of property meets the state standards of 36% to 44%;

the average measure of overall equalization, the *coefficient of dispersion*⁴, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes; and

the bias ratio, or statistical measure of *price related differentia*⁵, meets the state standard of 95% to 110%.

The Commissioner conditionally approves the digest and assesses a penalty of \$5.00 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the Commissioner based on the overall average assessment ratio deviation from the proper assessment ratio

¹ The comparison of an individual property's actual sales price versus its assessed value is a measure of the level of assessment. The ratio required by state statute is 40%.

² The measurement of quality of the results produced by a county's valuation program will determine if properties are valued in a uniform manner.

³ Equalization is the measure of equality of assessment. In order to possess good equalization, a county tax digest should value all properties at about the same level of assessment.

⁴ The coefficient of dispersion is the statistical representation of equalization.

⁵ The price-related differential is the statistical measure of assessment bias. This demonstrates whether lower or higher priced properties are more accurately assessed.

of 36% to 44%.

If the Commissioner determines that a county's digest does not meet the acceptable ratio of 36% to 44%, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment rate and the amount the digest actually produces for collection purposes.

To measure the compliance of each county in meeting state standards for digest approval, the Commissioner performs a sales ratio study for each county using actual sales compared to the assessed values established for ad valorem tax purposes. In some instances appraisals performed by the State Audit Department are included to supplement the study. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.

Results of the 1998 digest reviews for counties falling in the 1998 Review Year and the current status of each:

The review of the 53 counties falling within the 1998 review year resulted in 13 counties being subject to the \$5.00 per taxable parcel penalty, additional state tax, or both.

COUNTY	\$5/PARCEL PENALTY	ADDITIONAL STATE TAX	CURRENT DISPOSITION
BACON		3,830	ASSESSMENT REDUCED TO 3,622 UPON REVIEW OF APPEAL
FRANKLIN	62,705	10,460	CONSENT ORDER SIGNED AND PENALTY DEFERRED. ADDITIONAL STATE TAX PAID
GILMER		16,685	ADDITIONAL STATE TAX PLUS INTEREST PAID
HALL		78,526	ASSESSMENT OF ADDITIONAL STATE TAX WITHDRAWN UPON APPEAL
JENKINS	27,050		PENALTY WITHDRAWN UPON APPEAL
JOHNSON		5,113	ADDITIONAL STATE TAX PAID
LUMPKIN		12,666	APPEAL PENDING
MERIWETHER	70,575	14,480	DEPARTMENT DEVELOPING CONSENT ORDER AND DEFERRING PENALTY. AWAITING PAYMENT OF ADDITIONAL STATE TAX
PAULDING		36,517	ADDITIONAL STATE TAX PLUS INTEREST PAID
PIKE		9,116	ADDITIONAL STATE TAX PLUS INTEREST PAID
RANDOLPH		3,594	ADDITIONAL STATE TAX PAID
SCREVEN		5,206	ASSESSMENT REDUCED TO 5,095 UPON REVIEW OF APPEAL
TWIGGS	30,595	6,649	DEPARTMENT DEVELOPING CONSENT ORDER AND DEFERRING PENALTY. AWAITING PAYMENT OF ADDITIONAL STATE TAX
TOTAL	190,925	202,842	

The review of the other 106 counties resulted in 22 counties being assessed additional state tax:

COUNTY	ADDITIONAL STATE TAX	COUNTY	ADDITIONAL STATE TAX
BERRIEN	12,730	MCDUFFIE	8,449
BLECKLEY	3,749	MILLER	5,328
CALHOUN	4,361	MORGAN	14,617
CATOOSA	35,557	PULASKI	5,722
DADE	9,128	SCHLEY	1,929
DAWSON	31,314	SEMINOLE	3,647
DECATUR	14,991	SPALDING	41,983
DODGE	7,238	TALIAFERRO	1,020
GWINNETT	414,538	UPSON	21,864
HABERSHAM	19,086	WARREN	4,006
LINCOLN	3,225	WILCOX	2,740
		TOTAL	667,222

Several graphs are being included below so as to provide a visual indication of the various measurable statistical standards since 1993:

- Figure 1** - This graph indicates that, even though the Median Ratio has fallen from 38.58% in 1993 to 36.95% in 1998, the assessment level remains within the acceptable standard of 36% to 44%. In general, Georgia law requires taxes to be assessed at 40% of the fair market value of the property. So the overall level of assessment is a measure of the effectiveness of the county's valuation program.

Figure 1 - Average Level of Assessment

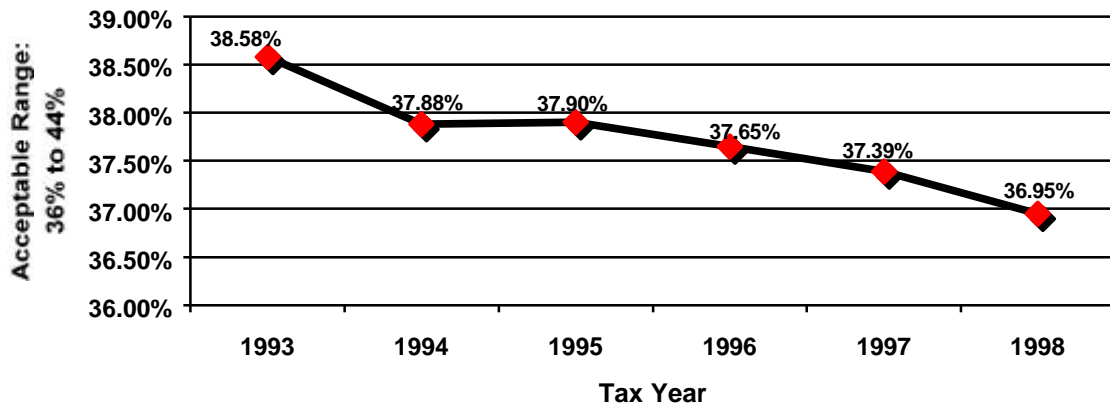


Figure 2 – This graph shows the average level of uniformity, as measured by the Coefficient of Dispersion, and indicates the equality of assessments between individual properties. Case law indicates that this is the most important measure of fairness within a taxing jurisdiction. Beginning with the 1995 tax year, the Commissioner, through regulation, tightened the acceptable standard of equalization and uniformity from 20% or less to 15% or less for residential properties, and from 25% or less to 20% or less for non-residential properties. Since 1993, this statistical measure has decreased from 15.05% in 1993 to 12.12% for 1998, demonstrating continued improvement.

Figure 2 - Average Level of Uniformity

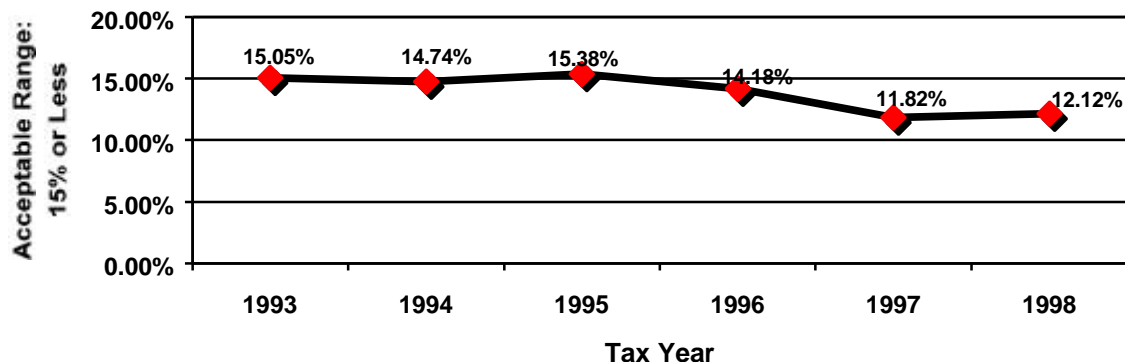
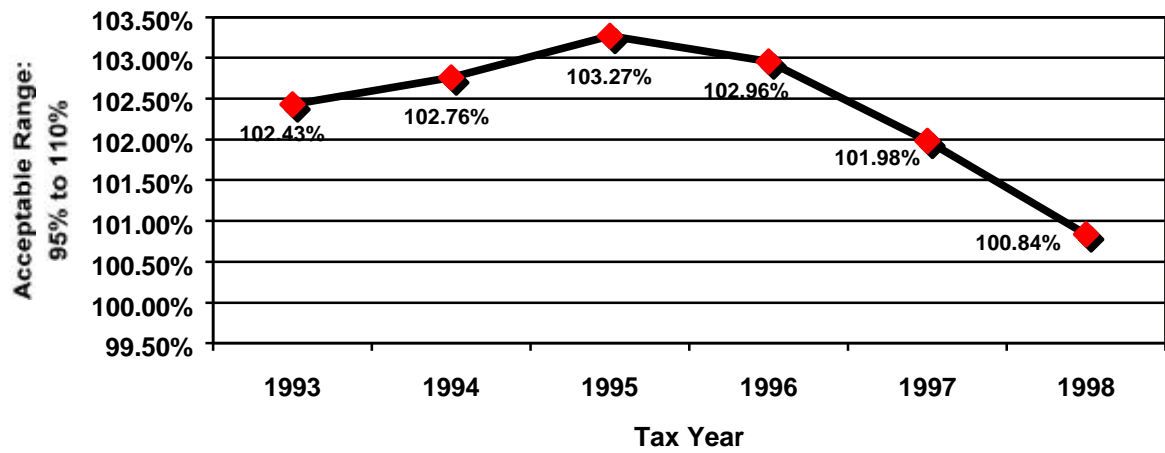


Figure 3 - This chart shows the past six years average assessment bias, as measured by the Price Related Differential. This standard has also shown continued improvement from 1993 when the average was 102.43% to the 1998 average of 100.84%.

Figure 3 - Average Level of Assessment Bias



Value and Revenue

Since the implementation of the new digest review procedures, counties have been constantly performing either total or partial revaluations and updates to properties in order to conform to the state standards for acceptable digests. In doing these revaluations and updates, property values have increased significantly since 1993. **Figures 4 and 5** show the changes in the total values and the average millage during the last several years, while **Figure 6** shows the breakdown by property class of the values reported on the 1998 tax digests.

Figure 4 - Total Assessed Value

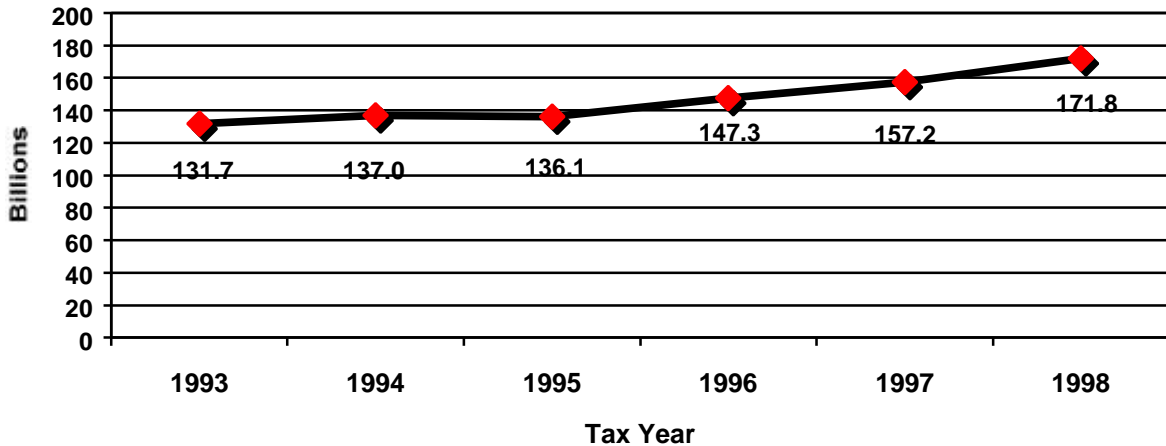


Figure 5 - Average Millage Rate

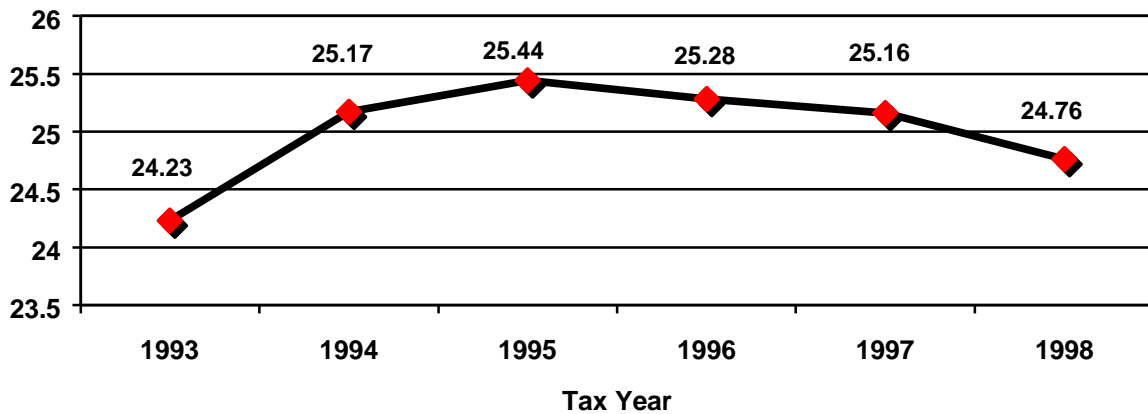
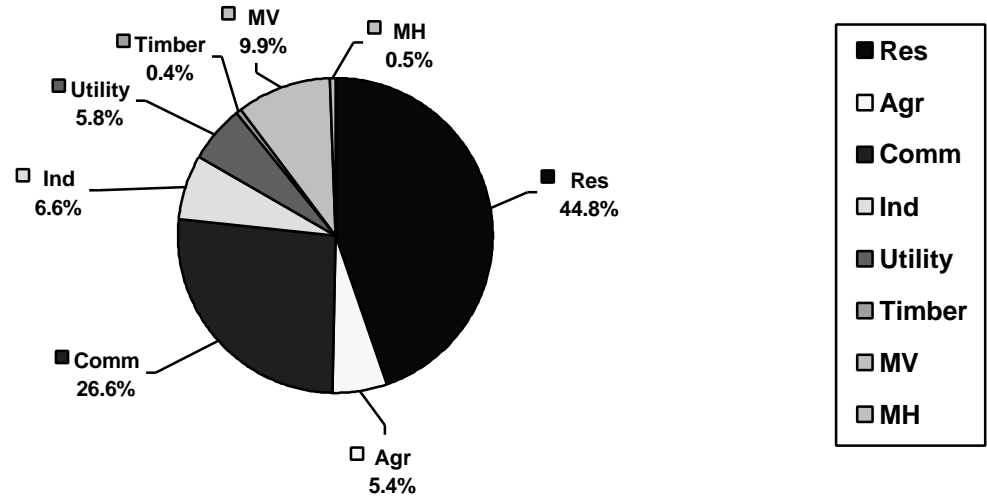


Figure 6 - Percentage of 1998 Values by Property Class



Property tax continues to be the primary revenue source for local governments. Currently, approximately 5.2 billion in revenue is collected from property taxes in Georgia. Because there is limited Department involvement in the collection of city taxes, this report does not focus on this tax type. **Figures 7 and 8** show the total revenues and the revenue breakdown by tax type generated from the 1998 tax digests. **Figures 9, 10 and 11** show the breakdown of the tax burden between the different classes of property for County, School, and State tax purposes. It is evident from these figures that residential property owners continue to bear the largest share of the tax burden, with commercial property owners following next.

Figure 7 - Comparison of Total Revenue

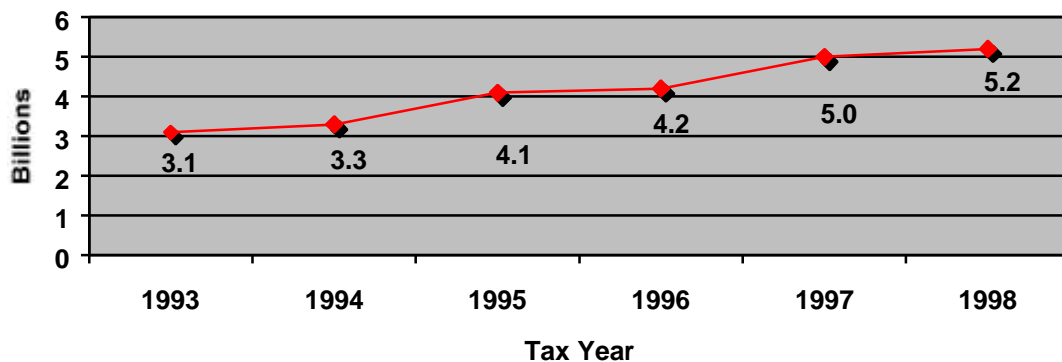


Figure 8 - 1998 Total Revenue By Tax Type - In Billions

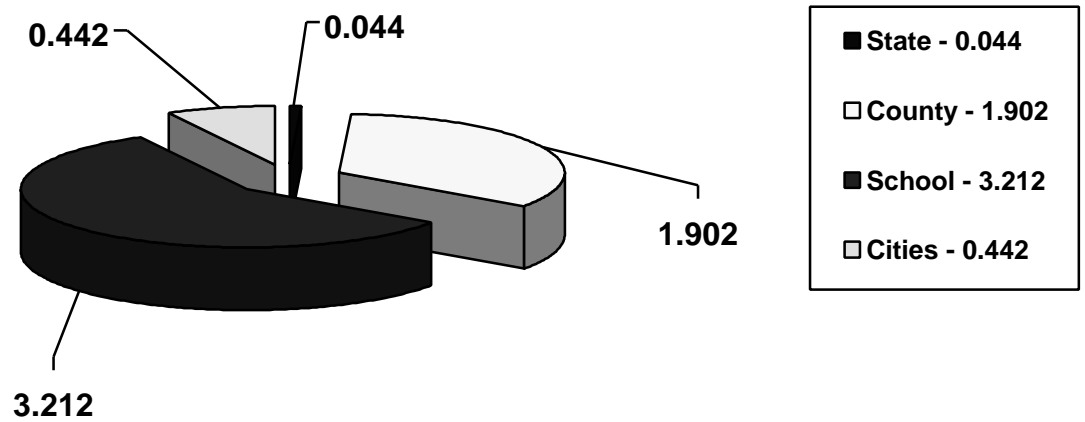


Figure 9 - 1998 County Tax Revenue - In Millions

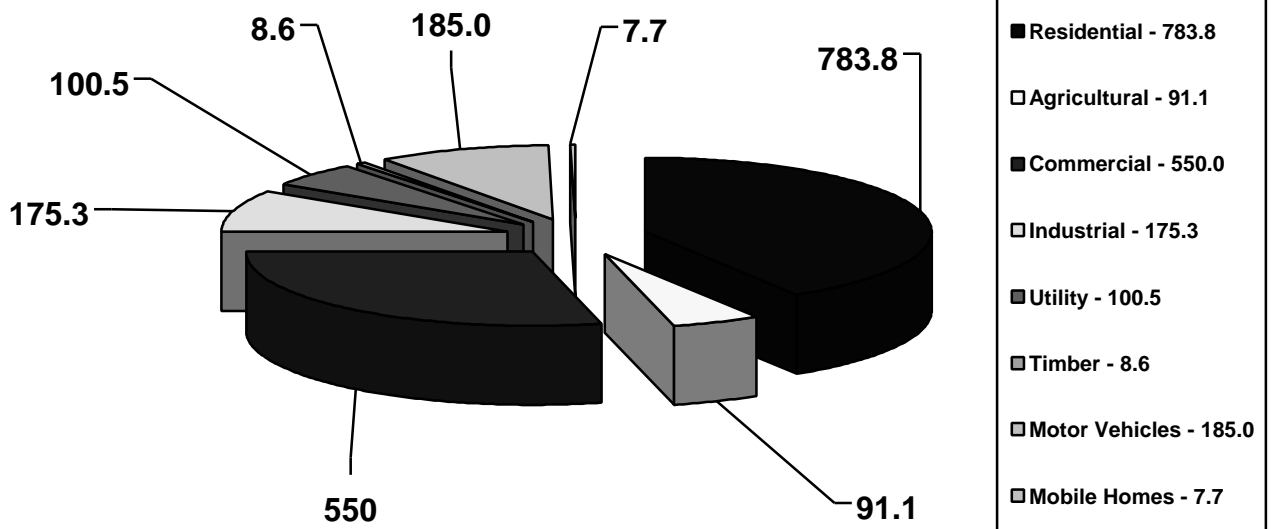


Figure 10 - 1998 School Tax Revenue - In Billions

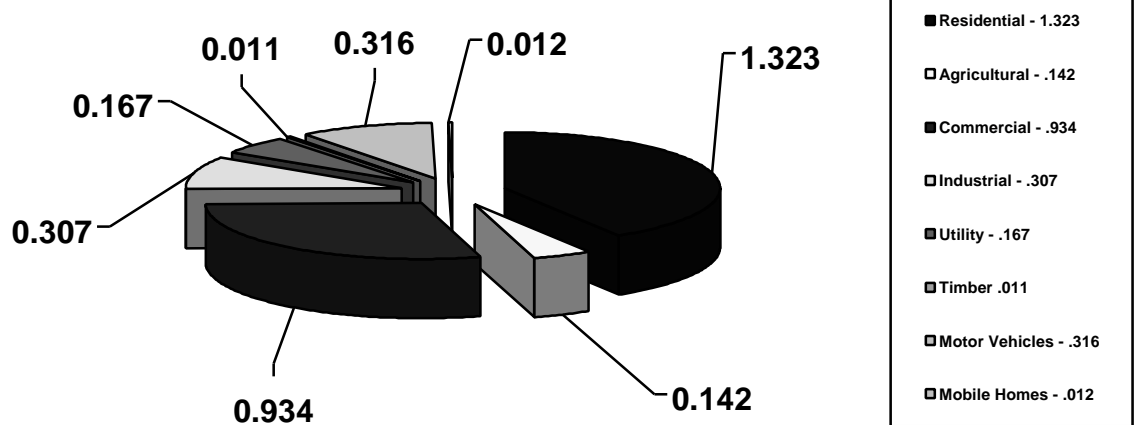
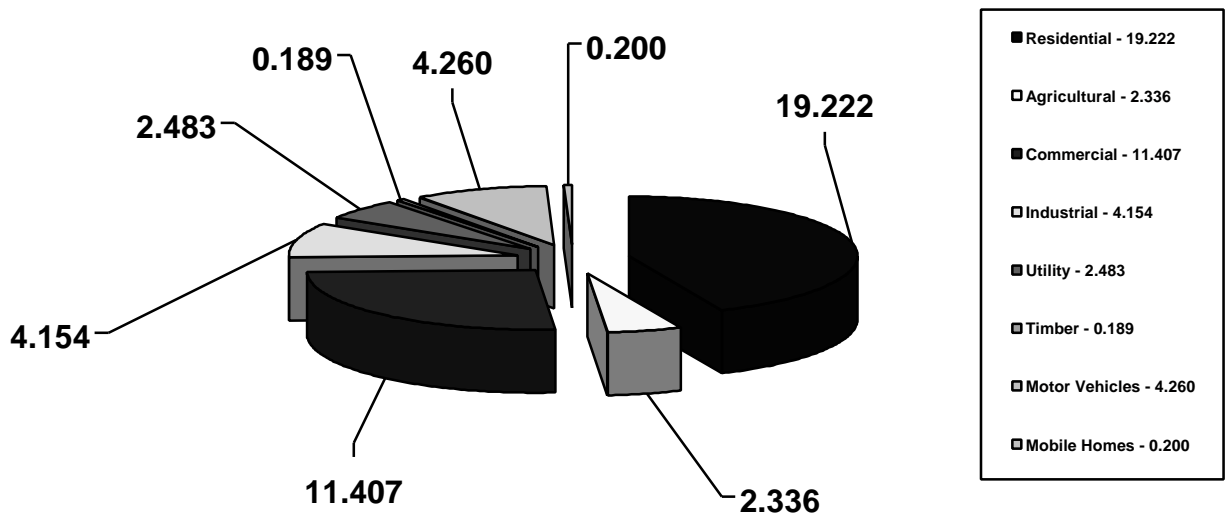


Figure 11 - 1998 State Tax Revenue - In Millions



Public Utilities

O.C.G.A. Section 48-2-18 requires the Commissioner to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations.

The location of the property must include the county within which it is located, the tax district within that county, (i.e. County, City, etc) and a physical address such as a street name. These property returns also include a physical description of the property. The utility company is required to identify the property's designated type, operating or non-operating. Operating property is defined as any property required, directly or indirectly, for the operation of the utility. Non-operating property would then be any property not required for the operation of the utility.

In determining each county's proposed assessments for 1999 public utilities and airlines, the Commissioner calculated the equalization ratios using 1998 digest totals and ratio statistics. This method insured that proposed public utility values were set at the same overall average assessment level as other properties.

Once the State Board of Equalization approved these values and equalization ratios, assessments were issued to the counties and utility companies. Each county board of tax assessors then determined the final assessment of utility properties by either accepting the State's proposed values or substituting their own in issuing assessment notices to the utility companies.

Table 1 on the following page shows each county's 1999 equalization ratio as proposed by the state and the ratio finally determined by the county board of tax assessors. In most instances where the ratio used by the county exceeds the state proposal, it is due to the county's having preformed an update or revaluation.

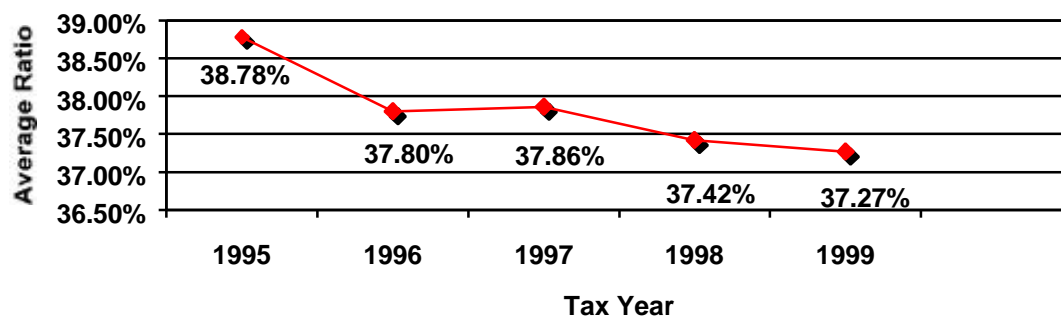
Table 1 – 1999 Public Utility Equalization Ratios Using 1998 Digest Ratios

County	Proposed Ratio	Final Ratio	County	Proposed Ratio	Final Ratio	County	Proposed Ratio	Final Ratio
Appling	37.81	37.81	Evans	40.00	40.00	Newton	40.00	40.00
Atkinson	40.00	40.00	Fannin	37.20	37.20	Oconee	40.00	40.00
Bacon	35.42	40.00	Fayette	40.00	40.00	Oglethorpe	40.00	40.00
Baker	40.00	40.00	Floyd	37.50	40.00	Paulding	34.42	40.00
Baldwin	36.76	40.00	Forsyth	37.27	40.00	Peach	36.40	36.40
Banks	40.00	40.00	Franklin	34.61	34.61	Pickens	40.00	40.00
Barrow	40.00	40.00	Fulton	37.81	40.00	Pierce	35.58	40.00
Bartow	40.00	40.00	Gilmer	34.00	34.00	Pike	32.72	32.72
Ben Hill	36.39	36.39	Glascokk	40.00	40.00	Polk	40.00	40.00
Berrien	31.73	31.73	Glynn	37.74	37.74	Pulaski	33.26	33.26
Bibb	36.10	36.10	Gordon	40.00	40.00	Putnam	40.00	40.00
Bleckley	35.51	40.00	Grady	40.00	40.00	Quitman	40.00	40.00
Brantley	40.00	40.00	Greene	40.00	40.00	Rabun	37.22	40.00
Brooks	37.98	37.98	Gwinnett	34.05	40.00	Randolph	34.41	34.41
Bryan	37.89	37.89	Habersham	35.18	40.00	Richmond	40.00	40.00
Bulloch	40.00	40.00	Hall	35.53	40.00	Rockdale	40.00	40.00
Burke	40.00	40.00	Hancock	40.00	40.00	Schley	33.90	33.90
Butts	40.00	40.00	Haralson	40.00	40.00	Screven	35.73	36.00
Calhoun	32.64	32.64	Harris	40.00	40.00	Seminole	35.43	40.00
Camden	40.00	40.00	Hart	36.96	40.00	Spalding	32.82	40.00
Candler	40.00	40.00	Heard	34.40	40.00	Stephens	40.00	40.00
Carroll	37.21	40.00	Henry	37.62	40.00	Stewart	40.00	40.00
Catoosa	32.96	40.00	Houston	40.00	40.00	Sumter	40.00	40.00
Charlton	35.69	35.69	Irwin	40.00	40.00	Talbot	37.91	37.91
Chatham	40.00	40.00	Jackson	37.27	37.27	Taliaferro	35.51	35.51

Chattahoochee	37.78	37.71	Jasper	40.00	40.00	Tattnall	37.30	37.30
Chattooga	36.70	38.94	Jeff Davis	40.00	40.00	Taylor	40.00	40.00
Cherokee	40.00	40.00	Jefferson	40.00	40.00	Telfair	37.09	37.09
Clarke	40.00	40.00	Jenkins	36.38	36.38	Terrell	37.74	37.74
Clay	40.00	40.00	Johnson	30.11	40.00	Thomas	36.81	40.00
Clayton	37.27	37.27	Jones	37.18	37.18	Tift	40.00	40.00
Clinch	37.69	37.69	Lamar	36.13	36.13	Toombs	37.47	37.47
Cobb	36.79	40.00	Lanier	40.00	40.00	Towns	37.59	40.00
Coffee	40.00	40.00	Laurens	37.39	40.00	Treutlen	37.97	37.97
Colquitt	40.00	40.00	Lee	40.00	40.00	Troup	40.00	40.00
Columbia	40.00	38.58	Liberty	36.98	36.98	Turner	37.91	40.00
Cook	36.95	36.95	Lincoln	34.96	34.96	Twiggs	34.50	34.50
Coweta	37.33	37.33	Long	37.85	37.85	Union	40.00	40.00
Crawford	36.04	36.04	Lowndes	37.10	37.10	Upson	31.56	40.00
Crisp	35.09	40.00	Lumpkin	34.76	34.76	Walker	40.00	40.00
Dade	32.03	40.00	Macon	40.00	40.00	Walton	37.10	37.10
Dawson	28.75	40.00	Madison	37.78	40.00	Ware	37.30	40.00
Decatur	35.05	40.00	Marion	37.84	40.00	Warren	32.49	40.00
Dekalb	40.00	40.00	McDuffie	35.60	40.00	Washington	40.00	40.00
Dodge	33.81	33.81	McIntosh	37.40	37.40	Wayne	36.48	36.48
Dooly	40.00	40.00	Meriwether	31.61	40.00	Webster	40.00	40.00
Dougherty	40.00	40.00	Miller	32.35	32.35	Wheeler	40.00	40.00
Douglas	36.22	40.00	Mitchell	36.29	36.29	White	35.96	40.00
Early	36.83	36.83	Monroe	37.73	37.73	Whitfield	37.61	37.61
Echols	37.03	37.03	Montgomery	36.84	36.84	Wilcox	35.36	40.00
Effingham	40.00	40.00	Morgan	33.63	40.00	Wilkes	40.00	40.00
Elbert	35.77	35.77	Murray	40.00	40.00	Wilkinson	36.34	36.34
Emanuel	40.00	40.00	Muscogee	37.97	40.00	Worth	40.00	40.00
STATE WIDE AVERAGE: 37.27								

Figure 12 below shows the trend of the last 5 years statewide average proposed public utility equalization ratio. Even though the statewide average is decreasing, this trend is not expected to continue, as many counties are undergoing either partial or total revaluations that will bring this average up for future years.

Figure 12 - Five Year Trend of Average Proposed Public Utility Equalization Ratio



PREFERENTIAL AGRICULTURAL ASSESSMENT

In the 1983 legislative session, House Bill 230 was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes.

By statute, all real property is assessed at 40% of fair market value, however, House Bill 230 provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed. Property devoted to bona fide agricultural purposes was defined as follows:

- I. Tangible real property where the primary use is good faith production of agricultural products including:
 - a. horticultural
 - b. floricultural
 - c. forestry
 - d. dairy
 - e. livestock
 - f. poultry
 - g. apiarian products and all other forms of farm products
 - h. \$100,000 or less of the fair market value of real property devoted to the storage or processing of agricultural products.
 - i. excludes the value of any residence located on the property.
- II. Property qualifying for preferential assessment is limited to 2000 acres and must be owned by either
 - a. one or more natural or naturalized citizens;
 - b. a family farm corporation, owned by related individuals and deriving at least 80% of its gross income from agricultural pursuits on property located in Georgia.

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years. Transfers of ownership were allowed, provided the property was transferred to another qualifying entity that agreed to continue the property in agricultural pursuits for the remainder of the covenant period. Otherwise, the covenant was breached and a penalty imposed. Penalties ranged from 15 times the tax savings if the breach occurred during the first year of the covenant, to a minimum of 3 times the tax savings if a breach occurred during the tenth year of the covenant.

Since the passage of HOUSE BILL 230, several amendments have affected the provisions of preferential assessment.

- I. In 1985, the General Assembly amended the statute to allow transfers of property under preferential assessment without a penalty being assessed. These types of transfers included:
 - a. up to 3 acres of land, to be used for residential purposes and occupied by parties related to the covenant holder;
 - b. mineral exploration; and
 - c. for purposes of land conservation, federal agricultural assistance programs or for agricultural management purposes.
- II. The amendment also reduced the penalty to the actual tax savings realized during the covenant for breaches occurring as a result of foreclosure.

III. A 1986 amendment added a provision allowing a reduced penalty of the actual tax savings for breaches occurring as a result of an owner becoming medically unable to continue the property in agricultural uses.

IV. In 1987, the statute was again amended to relax the penalties for covenant breaches. Rather than penalties being assessed at 3 times all years tax savings, the amendment set up a penalty amount of only one year's tax savings times a factor of 2 to 5 depending on the year of the covenant in which the breach occurred.

Currently, the preferential assessment program will allow a covenant holder to transfer up to 5 acres of land to be used for residential purposes and occupied by parties related to the covenant holder.

Fiscal Impact

The **Table 2** below shows for each tax year, since the beginning of this program, the statewide number of parcels, the total value eliminated, the total tax dollar loss, and the percentage change of each category.

Table 2 - Preferential Assessment Fiscal Impact

YEAR	PARCELS	PERCENT CHANGE	TOTAL VALUE ELIMINATED	PERCENT CHANGE	TOTAL TAX DOLLAR LOSS	PERCENT CHANGE
1984	10,001	N/A	86,969,884	N/A	1,588,974	N/A
1985	11,839	+ 18.4	105,327,904	+ 21.1	1,992,707	+ 25.4
1986	12,642	+ 6.8	115,411,332	+ 9.6	2,227,704	+ 11.8
1987	13,446	+ 6.4	119,970,016	+ 3.9	2,370,396	+ 6.4
1988	15,306	+ 13.8	134,584,711	+ 12.2	2,864,733	+ 20.9
1989	16,978	+ 10.9	148,115,075	+ 10.1	3,782,095	+ 32.0
1990	19,947	+ 17.5	176,780,216	+ 19.4	4,010,259	+ 6.0
1991	23,086	+ 15.7	204,261,412	+ 15.5	4,657,783	+ 16.1
1992	23,243	+ .7	180,985,796	- 11.4	4,232,187	- 9.1
1993	18,388	- 20.9	145,151,076	- 9.8	3,542,375	- 16.3
1994	17,836	- 3.0	137,170,751	- 5.5	3,362,403	- 5.1
1995	22,226	+ 24.6	165,278,063	+ 20.5	4,249,807	+ 26.4
1996	23,501	+ 5.7	174,157,485	+ .4	4,410,076	+ 3.8
1997	23,915	+ 1.8	181,350,311	+ 4.1	4,654,542	+ 5.5
1998	23,340	- 2.4	189,169,970	+ 4.3	4,701,626	+ 1.01

The Department will continue to monitor this program and provide data each year as required by law.

Table 3 on the following pages illustrates a county by county breakdown of the preferential agricultural assessment local impact analysis for 1998.

TABLE 3 – PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1998

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
APPLING	417	2,175,786	544	19,233	30,461	0	50,238
ATKINSON	370	2,419,799	605	31,103	32,065	0	63,773
BACON	71	469,702	117	5,872	5,871	0	11,860
BAKER	271	3,541,658	885	34,838	59,500	0	95,223
BALDWIN	32	375,119	94	4,791	6,246	0	11,131
BANKS	53	627,564	157	4,738	6,527	0	11,422
BARROW	45	474,887	119	3,820	9,269	475	13,683
BARTOW	51	671,409	168	4,724	12,416	0	17,308
BEN HILL	38	424,512	106	6,155	8,596	0	14,857
BERRIEN	359	2,305,137	576	30,543	25,933	0	57,052
BIBB	21	108,704	27	1,476	1,959	326	3,788
BLECKLEY	86	652,193	163	7,546	8,739	0	16,448
BRANTLEY	106	486,448	122	7,628	7,579	13	15,342
BROOKS	465	3,347,701	837	34,770	47,939	22	83,568
BRYAN	32	288,150	72	2,075	4,815	0	6,962
BULLOCH	50	412,036	103	3,980	4,285	45	8,413
BURKE	478	4,844,083	1,211	23,256	52,801	10,654	87,922
BUTTS	81	429,578	107	8,145	7,569	0	15,821
CALHOUN	334	3,554,752	889	44,443	36,187	0	81,519
CAMDEN	24	309,799	77	5,254	4,647	0	9,978
CANDLER	163	1,155,638	289	11,430	13,290	0	25,009
CARROLL	306	1,663,819	416	8,652	29,699	0	38,767
CATOOSA	18	110,273	28	388	1,544	0	1,960
CHARLTON	77	494,698	124	6,298	7,128	2,251	15,801
CHATHAM	0	0	0	0	0	0	0
CHATTAHOOCHEE	18	174,804	44	357	1,785	0	2,186
CHATTOOGA	54	567,342	142	5,018	5,673	0	10,833
CHEROKEE	4	68,050	17	405	1,384	170	1,976
CLARKE	0	0	0	0	0	0	0
CLAY	163	1,512,970	378	22,831	15,281	0	38,490
CLAYTON	0	0	0	0	0	0	0
CLINCH	151	1,050,090	263	9,986	14,701	4,463	29,413
COBB	0	0	0	0	0	0	0
COFFEE	135	1,486,844	372	7,940	25,202	0	33,514
COLQUITT	75	1,047,075	262	14,219	9,319	0	23,800
COLUMBIA	18	249,978	62	1,925	4,502	0	6,489
COOK	21	252,011	63	1,822	3,906	0	5,791
COWETA	107	657,015	164	3,565	13,390	1,602	18,721
CRAWFORD	113	763,703	191	11,297	14,129	0	25,617
CRISP	363	2,668,095	667	31,350	43,236	0	75,253
DADE	80	478,238	120	2,750	6,662	0	9,532
DAWSON	18	204,103	51	1,897	3,674	0	5,622
DECATUR	549	4,346,802	1,087	47,815	55,856	0	104,758
DEKALB	1	32,480	8	344	730	156	1,238
DODGE	183	1,042,954	261	10,429	13,558	0	24,248
DOOLY	418	3,150,057	788	37,800	52,921	0	91,509
DOUGHERTY	23	770,630	193	8,554	13,640	5,534	27,921
DOUGLAS	8	76,284	19	738	1,380	0	2,137
EARLY	402	3,502,126	876	22,637	39,924	0	63,437
ECHOLS	188	827,457	207	9,847	10,797	0	20,851
EFFINGHAM	40	300,863	75	2,589	4,904	522	8,090
ELBERT	231	1,304,106	326	10,935	18,910	0	30,171
EMANUEL	377	2,466,304	617	24,046	25,896	0	50,559
EVANS	123	1,031,646	258	9,179	14,443	0	23,880
FANNIN	2	24,800	6	157	295	0	458
FAYETTE	0	0	0	0	0	0	0
FLOYD	44	299,042	75	3,286	5,039	374	8,774
FORSYTH	81	946,810	237	2,793	16,901	947	20,878
FRANKLIN	13	64,467	16	362	913	0	1,291
FULTON	46	759,378	190	7,775	15,765	6,070	29,800
GILMER	78	574,590	144	3,579	6,658	0	10,381
GLASCOCK	96	722,863	181	10,356	10,272	0	20,809
GLYNN	10	341,836	85	2,468	5,866	240	8,659

GORDON	221	1,215,061	304	8,578	21,288	0	30,170
GRADY	489	7,085,908	1,771	44,146	95,660	0	141,577
COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
GREENE	141	779,052	195	7,051	8,990	0	16,236
GWINNETT	1	55,000	14	558	1,142	182	1,896
HABERSHAM	155	2,214,289	554	17,742	24,335	1,329	43,960
HALL	0	0	0	0	0	0	0
HANCOCK	458	3,033,998	758	87,348	51,032	0	139,138
HARALSON	182	1,063,201	266	9,972	15,375	0	25,613
HARRIS	121	1,259,210	315	8,258	20,714	0	29,287
HART	131	1,319,733	330	7,499	21,578	0	29,407
HEARD	192	1,335,307	334	12,059	21,031	0	33,424
HENRY	62	699,749	175	6,592	15,045	2,009	23,821
HOUSTON	60	731,444	183	6,071	9,114	366	15,734
IRWIN	367	2,298,167	575	25,625	38,356	2,183	66,739
JACKSON	166	2,213,424	553	19,355	41,775	2,863	64,564
JASPER	80	1,377,050	344	18,330	20,904	0	39,578
JEFF DAVIS	69	1,143,701	286	7,628	14,582	0	22,496
JEFFERSON	294	2,021,758	505	23,291	23,250	0	47,046
JENKINS	271	1,607,304	402	22,117	17,375	0	39,894
JOHNSON	37	201,166	50	2,760	2,766	0	5,576
JONES	104	857,909	214	8,562	10,852	0	19,628
LAMAR	51	502,222	126	4,143	8,131	0	12,400
LANIER	143	1,022,355	256	10,592	18,883	0	29,731
LAURENS	307	1,779,007	445	11,564	23,358	0	35,367
LEE	76	2,374,342	594	29,679	36,992	0	67,265
LIBERTY	45	288,024	72	3,456	5,127	1,152	9,807
LINCOLN	31	268,644	67	3,718	4,043	457	8,285
LONG	105	1,014,827	254	16,696	15,933	0	32,883
LOWNDES	6	52,026	13	267	746	0	1,026
LUMPKIN	3	37,416	9	370	586	0	965
MACON	356	2,973,465	743	26,296	46,386	0	73,425
MADISON	230	1,775,977	444	15,854	20,779	0	37,077
MARION	144	1,239,186	310	9,404	17,658	0	27,372
MCDUFFIE	117	1,003,422	251	9,211	13,546	0	23,008
MCINTOSH	28	107,434	27	966	1,638	81	2,712
MERIWETHER	461	2,493,847	623	25,159	42,395	0	68,177
MILLER	50	666,679	167	10,394	11,001	0	21,562
MITCHELL	259	4,928,870	1,232	66,202	35,642	0	103,076
MONROE	27	293,396	73	1,790	3,568	0	5,431
MONTGOMERY	358	1,675,151	419	14,620	46,544	0	61,583
MORGAN	57	873,829	218	8,712	13,107	0	22,037
MURRAY	64	440,130	110	2,553	5,942	0	8,605
MUSCOGEE	16	172,665	43	1,575	4,018	457	6,093
NEWTON	12	280,550	70	2,054	5,508	681	8,313
OCONEE	12	128,486	32	1,144	2,126	0	3,302
OGLETHORPE	336	2,917,977	729	23,198	39,393	0	63,320
PAULDING	9	168,386	42	1,446	3,688	0	5,176
PEACH	27	370,914	93	5,512	5,749	0	11,354
PICKENS	48	671,185	168	4,302	9,128	0	13,598
PIERCE	344	2,226,503	557	22,495	33,108	0	56,160
PIKE	6	90,181	23	816	1,140	0	1,979
POLK	48	439,666	110	4,803	6,024	0	10,937
PULASKI	164	1,359,465	340	16,735	20,392	1,359	38,826
PUTNAM	66	630,205	158	6,637	7,436	0	14,231
QUITMAN	79	813,445	203	10,500	14,276	0	24,979
RABUN	158	1,571,266	393	14,611	12,388	0	27,392
RANDOLPH	193	1,046,171	262	7,742	19,490	0	27,494
RICHMOND	15	104,440	26	617	2,149	154	2,946
ROCKDALE	50	318,030	80	4,121	7,302	0	11,503
SCHLEY	97	561,147	140	6,683	8,125	0	14,948
SCREVEN	495	4,021,720	1,005	52,191	61,130	0	114,326
SEMINOLE	136	1,149,481	287	6,590	17,576	862	25,315
SPALDING	101	829,349	207	9,579	15,459	2,658	27,903
STEPHENS	7	65,745	16	510	976	0	1,502
STEWART	132	1,049,285	262	12,129	12,035	0	24,426
SUMTER	530	4,782,387	1,196	35,868	64,084	4,101	105,249
TALBOT	131	860,339	215	13,912	13,146	0	27,273
TALIAFERRO	157	968,007	242	16,085	14,520	0	30,847
TATTNALL	441	2,796,098	699	43,531	36,909	0	81,139
TAYLOR	344	2,777,841	694	22,590	25,917	0	49,201
TELFAR	361	1,504,330	376	15,194	20,489	0	36,059

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
TERRELL	274	2,184,550	546	28,836	31,894	0	61,276
THOMAS	58	1,529,841	382	9,103	13,463	2,345	25,293
TIFT	3	10,818	3	97	127	1	228
TOOMBS	151	799,355	200	5,201	11,888	799	18,088
TOWNS	2	36,530	9	201	146	0	356
TREUTLEN	177	859,576	215	13,405	11,046	0	24,666
TROUP	92	562,599	141	4,968	10,003	0	15,112
TURNER	67	882,916	221	12,034	11,036	0	23,291
TWIGGS	289	1,154,034	289	16,378	17,541	0	34,208
UNION	1	20,635	5	100	175	0	280
UPSON	23	268,321	67	3,072	4,495	0	7,634
WALKER	105	1,784,270	446	5,103	22,732	0	28,281
WALTON	141	1,657,404	414	17,718	27,760	0	45,892
WARE	316	1,503,805	376	18,046	24,482	0	42,904
WARREN	251	1,321,062	330	16,011	21,824	0	38,165
WASHINGTON	159	1,005,090	251	10,114	18,587	0	28,952
WAYNE	236	1,626,592	407	19,357	22,447	0	42,211
WEBSTER	104	1,151,792	288	14,064	14,927	0	29,279
WHEELER	294	1,645,044	411	17,271	17,273	0	34,955
WHITE	38	369,465	92	1,810	6,192	0	8,094
WHITFIELD	180	1,621,409	405	3,334	27,726	0	31,465
WILCOX	376	2,113,965	528	32,766	28,771	0	62,065
WILKES	315	2,409,770	602	16,368	33,737	0	50,707
WILKINSON	171	1,319,704	330	13,091	20,125	0	33,546
WORTH	302	3,224,221	806	31,445	33,081	1,064	66,396
	0	0	0	0	0	0	0
TOTAL	23,340	189,169,970	47,294	1,930,460	2,664,905	58,967	189,169,970

Figure 13 below and **Figure 14** on the following page illustrate, since 1989, the amount of revenue loss and the ever-increasing amount of value removed annually from digests affected by the Preferential Agricultural Assessment program.

Figure 13 - Preferential Agricultural Assessment Revenue

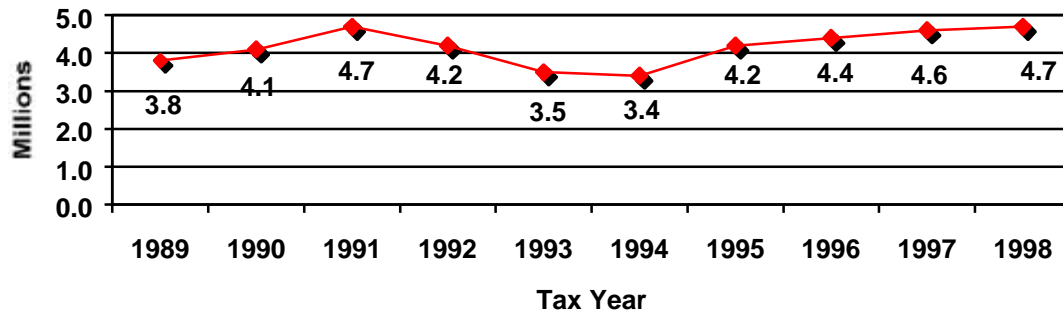
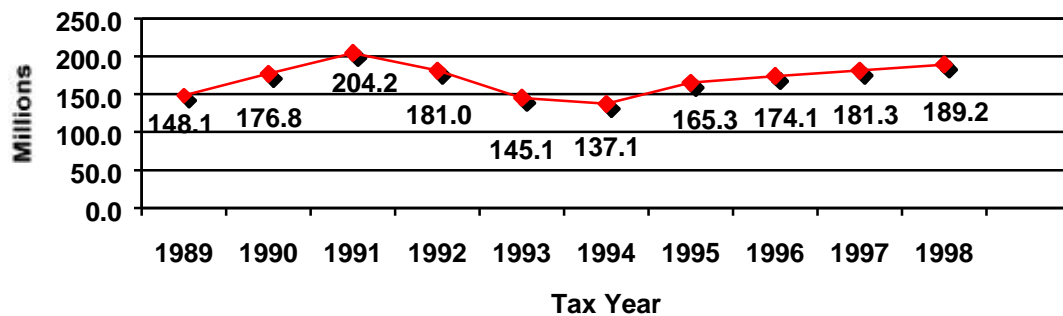


Figure 14 - Preferential Agricultural Assessed Value Eliminated



Conservation Use Valuation

In 1991 the Legislature embraced the “current use” valuation concept. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. The bill also provided for the Commissioner to develop a table of current use values to be used in all counties, which results from a legislative formula taking into account the amount of income the land is capable of producing when growing certain crops and timber, and factors founded in market data using only farmer to farmer land sales.

The data is grouped into nine agricultural districts in Georgia. Tax year 1998 was the seventh year of the conservation use program, where county tax digests are continuing to show that taxpayers are continuing to take advantage of this preferential assessment program.

Unlike the Preferential Agricultural Assessment Program in which assessments are based on 30% of fair market value rather than 40% of fair market value statewide, the valuation of property in Conservation Use Covenants is most significant in the Urban Areas of North Georgia and other parts of the State where strong residential and commercial development is occurring. As a result, agricultural landowners' interest is greatest in these transitional areas.

Because the statute requires the Commissioner to develop the annual table of land values for use by the counties, a significant increase in the responsibilities of the Property Tax Division field staff occurred. The man-hours required of the staff in performing this responsibility currently consume 25% of the staff's time.

Accordingly, there has been a cutback in the amount of technical assistance the Department can provide to the appraisal of non-operating public utility property, as is also required by statute. This understaffing is the motivation behind the Department's request for funding approval in the supplemental budget for 6 additional appraisers.

Several reports, graphs, and charts are being included in this report to show the fiscal impact of conservation use valuation.

Table 4 below represents the 10 counties most affected by Conservation Use Assessment Covenants. Shown in this table is a listing by county of the number of applications (parcel count), assessed value eliminated from the digest, the amount of tax loss for each of the tax types, and the total tax loss. The total amount of tax loss in these 10 counties accounts for approximately 41% of the total amount of tax loss statewide.

TABLE 4 – CONSERVATION USE FISCAL IMPACT

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
CHEROKEE	2,005	132,284,040	33,071	787,090	2,690,634	324,052	3,834,847
BARROW	1,243	62,498,835	15,625	503,801	1,219,734	62,499	1,801,659
JACKSON	1,009	58,998,290	14,750	423,216	1,126,219	65,718	1,629,903
HENRY	940	41,478,596	10,370	390,728	891,789	119,044	1,411,931
MORGAN	865	52,469,806	13,117	523,124	786,959	0	1,323,200
HALL	1,783	56,890,329	14,223	392,543	829,461	57,767	1,293,994
COBB	645	37,694,432	9,424	277,053	665,383	234,096	1,185,956
FORSYTH	569	48,709,400	12,177	144,596	869,463	48,709	1,074,945
NEWTON	878	34,000,219	8,500	248,882	664,442	81,768	1,003,592
OCONEE	1,091	37,521,380	9,380	335,532	620,979	0	965,891

Table 5 provides a listing for each county of the number of parcels receiving Conservation Use Assessment, the amount of value eliminated from the taxable digest in each county and the tax dollar loss in each appropriate taxing district (State, County, School, Special) and the total tax dollar loss. Special districts include Hospital Authorities, Fire Districts, Industrial Authorities,

TABLE 5 – CONSERVATION USE VALUATION ASSESSMENT FOR 1998

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
APPLING	33	193,168	48	1,706	2,704	0	4,458
ATKINSON	44	114,028	29	1,519	1,511	0	3,059
BACON	149	1,176,176	294	14,703	14,702	0	29,699
BAKER	1	10,900	3	107	183	0	293
BALDWIN	364	4,126,699	1,032	52,698	68,710	0	122,440
BANKS	536	23,958,080	5,990	180,883	249,164	0	436,037
BARROW	1,243	62,498,835	15,625	503,801	1,219,734	62,499	1,801,659
BARTOW	713	20,782,420	5,196	145,969	380,531	0	531,696
BEN HILL	151	1,579,627	395	22,904	31,987	0	55,286
BERRIEN	15	97,196	24	1,288	1,093	0	2,405
BIBB	106	1,221,258	305	16,587	22,007	3,664	42,563
BLECKLEY	47	397,045	99	4,674	5,320	0	10,093
BRANTLEY	86	582,660	146	9,175	9,077	168	18,566
BROOKS	128	2,343,890	586	24,332	33,565	0	58,483
BRYAN	156	2,508,200	627	18,059	41,912	0	60,598
BULLOCH	1,517	25,804,520	6,451	249,271	268,367	13,466	537,555
BURKE	0	0	0	0	0	0	0
BUTTS	664	15,366,549	3,842	291,350	270,759	0	565,951
CALHOUN	0	0	0	0	0	0	0
CAMDEN	204	3,726,619	932	63,203	55,899	48	120,082
CANDLER	246	3,887,287	972	38,690	44,704	0	84,366
CARROLL	424	5,777,722	1,444	30,044	100,236	0	131,724
CATOOSA	260	6,585,905	1,646	23,251	92,196	0	117,093
CHARLTON	282	3,376,212	844	43,120	48,651	15,362	107,977
CHATHAM	41	3,097,810	774	36,059	59,293	5,430	101,556
CHATTAHOOCHEE	0	0	0	0	0	0	0
CHATTOOGA	426	8,206,618	2,052	72,823	81,302	0	156,177
CHEROKEE	2,005	132,284,040	33,071	787,090	2,690,634	324,052	3,834,847
CLARKE	177	4946,424	1,237	66,530	91,509	1,237	160,513
CLAY	2	45,128	11	681	456	0	1,148
CLAYTON	140	3,736,929	934	12,743	68,535	16,870	99,082
CLINCH	0	0	0	0	0	0	0
COBB	645	37,694,432	9,424	277,053	665,383	234,096	1,185,956
COFFEE	607	13,157,318	3,289	70,424	223,017	0	296,730
COLQUITT	1,205	14,032,048	3,508	190,951	124,885	0	319,344
COLUMBIA	3,036	34,295,925	8,574	264,078	617,670	0	890,322
COOK	373	6,727,425	1,682	48,699	104,275	0	154,656
COWETA	968	15,096,210	3,774	81,367	307,661	37,525	430,327
CRAWFORD	143	1,240,427	310	18,321	22,948	0	41,579
CRISP	28	195,410	49	2,296	3,167	0	5,512
DADE	64	524,541	131	3,016	7,307	0	10,454
DAWSON	366	8,858,718	2,215	82,231	159,457	0	243,903
DECATUR	6	80,185	20	882	1,030	0	1,932
DEKALB	20	786,340	197	8,335	17,677	3,405	29,614
DODGE	0	0	0	0	0	0	0
DOOLY	22	204,749	51	2,456	3,440	0	5,947
DOUGHERTY	61	2,606,920	652	28,937	46,142	17,916	93,647
DOUGLAS	160	6,564,031	1,641	63,540	118,809	0	183,990
EARLY	23	205,301	51	1,327	2,340	0	3,718
ECHOLS	15	158,446	40	1,886	2,067	0	3,993
EFFINGHAM	719	11,171,371	2,793	96,130	182,094	19,382	300,399
ELBERT	222	1,959,160	490	14,213	28,408	0	43,111
EMANUEL	14	40,239	10	392	423	0	825

EVANS	7	64,777	16	574	907	0	1,497
FANNIN	706	19,567,199	4,892	123,839	232,850	0	361,581
FAYETTE	207	11,225,912	2,806	58,904	269,310	44,225	375,245
FLOYD	678	7,941,520	1,985	87,278	133,347	9,833	232,443
FORSYTH	569	48,709,400	12,177	144,596	869,463	48,709	1,074,945
FRANKLIN	1,178	14,232,993	3,558	80,102	201,539	0	285,199
COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
FULTON	371	18,905,580	4,726	193,593	392,479	146,893	737,691
GILMER	872	18,045,880	4,511	112,389	209,453	0	326,353
GLASCOCK	5	44,759	11	641	636	0	1,288
GLYNN	65	1,907,943	477	13,775	32,740	2,767	49,759
GORDON	939	22,553,706	5,638	159,229	392,969	0	557,836
GRADY	154	5,798,772	1,450	36,137	78,283	0	115,870
GREENE	271	2,133,336	533	19,307	24,619	0	44,459
GWINNETT	463	23,672,440	5,918	240,275	491,203	77,323	814,719
HABERSHAM	617	21,510,288	5,378	172,195	236,398	12,906	426,877
HALL	1,783	56,890,329	14,223	392,543	8,294,616	57,767	1,293,994
HANCOCK	228	2,337,951	584	67,310	39,324	0	107,218
HARALSON	281	5,791,172	1,448	54,401	83,710	0	139,559
HARRIS	376	10,519,460	2,630	68,839	173,045	0	244,514
HART	405	9,348,760	2,337	53,126	152,852	0	208,315
HEARD	119	1,223,755	306	11,058	19,274	0	30,638
HENRY	940	41,478,596	10,370	390,728	891,789	119,044	1,411,931
HOUSTON	225	12,512,100	3,128	103,850	155,901	6,256	269,135
IRWIN	606	6,955,611	1,739	77,555	116,089	6,608	201,991
JACKSON	1,009	58,998,290	14,750	423,216	1,126,219	65,718	1,629,903
JASPER	719	23,964,213	5,991	318,976	363,777	0	688,744
JEFF DAVIS	3	171,517	43	1,256	2,187	0	3,486
JEFFERSON	0	0	0	0	0	0	0
JENKINS	6	112,342	28	1,546	1,215	0	2,789
JOHNSON	315	1,272,579	318	17,438	17,498	0	35,254
JONES	160	2,599,858	650	25,947	32,889	0	59,486
LAMAR	261	4,860,498	1215	40,099	78,691	0	120,005
LANIER	11	99,504	25	1,028	1,838	0	2,891
LAURENS	12	79,108	20	514	1,039	0	1,573
LEE	174	9,794,491	2,449	122,431	152,598	0	277,478
LIBERTY	23	303,363	76	3,640	5,400	1,214	10,330
LINCOLN	193	1,157,574	289	16,040	17,421	1,968	35,718
LONG	46	621,465	155	10,243	9,757	0	20,155
LOWNDES	67	1,313,830	328	6,962	18,840	0	26,130
LUMPKIN	697	32,490,359	8,123	321,330	509,124	0	838,577
MACON	10	60,345	15	533	941	0	1,489
MADISON	379	4,970,454	1,243	44,492	58,155	0	103,890
MARION	6	69,517	17	528	990	0	1,535
MCDUFFIE	159	1,771,604	443	16,273	23,917	0	40,633
MCINTOSH	40	2,659,866	665	23,939	40,563	1,995	67,162
MERIWETHER	273	2,210,240	553	22,261	37,574	0	60,388
MILLER	35	395,660	99	6,168	6,529	0	12,796
MITCHELL	635	28,819,008	7,205	387,057	208,757	0	603,019
MONROE	311	5,635,462	1,409	34,376	68,527	0	104,312
MONTGOMERY	34	297,605	74	2,592	8,168	0	10,834
MORGAN	865	52,469,806	13,117	523,124	786,959	0	1,323,200
MURRAY	197	3,766,005	942	21,843	50,841	0	73,626
MUSCOGEE	67	3,339,987	835	30,461	77,721	4640	113,657
NEWTON	878	34,000,219	8,500	248,882	664,442	81768	1,003,592
OCONEE	1,091	37,521,380	9,380	335,532	620,979	0	965,891
OGLETHORPE	15	172,792	43	1,386	2,333	0	3,762
PAULDING	728	27,289,839	6,822	234,728	597,647	0	839,197
PEACH	118	2,757,177	689	40,972	42,736	0	84,397
PICKENS	245	11,054,651	2,764	70,861	150,343	0	223,968
PIERCE	39	310,193	78	3,133	4,613	0	7,824
PIKE	468	10,125,755	2,531	91,638	127,989	0	222,158
POLK	500	10,868,047	2,717	118,733	148,914	0	270,364
PULASKI	6	27,867	7	343	418	28	796
PUTNAM	170	3,686,135	922	38,815	43,496	0	83,233
QUITMAN	0	0	0	0	0	0	0
RABUN	240	10,224,820	2,556	95,187	80,612	0	178,355
RANDOLPH	0	0	0	0	0	0	0
RICHMOND	135	2,370,629	593	14,010	48,763	3318	66,684
ROCKDALE	127	6,031,607	1,508	78,169	38,486	0	218,163
SCHLEY	0	0	0	0	0	0	0
SCREVEN	16	88,577	22	1,177	1,346	0	2,545

SEMINOLE	7	54,916	14	315	840	41	1,210
SPALDING	256	5,462,269	1,366	63,089	101,817	16798	183,070
STEPHENS	251	7,485,347	1,871	58,119	111,157	0	171,147
STEWART	3	20,552	5	237	236	0	478
SUMTER	10	108,947	27	817	1,460	169	2,473
TALBOT	939	10,475,674	2,619	169,392	160,069	0	332,080
TALIAFERRO	1	8,034	2	133	121	0	256
COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
TATTNALL	34	215,551	54	3,397	2,845	0	6,296
TAYLOR	2	52,910	13	430	494	0	937
TELFAIR	3	13,057	3	132	178	0	313
TERRELL	7	121,962	30	1,610	1,781	0	3,421
THOMAS	674	23,154,155	5,789	138,178	202,538	27,720	374,225
TIFT	728	23,508,738	5,877	210,873	276,228	1,171	494,149
TOOMBS	2	10,393	3	76	79	10	168
TOWNS	175	5,116,434	1,279	28,140	20,466	0	49,885
TREUTLEN	0	0	0	0	0	0	0
TROUP	588	8,799,560	2,200	77,700	156,456	0	236,356
TURNER	771	14,237,037	3,559	194,051	177,963	0	375,573
TWIGGS	0	0	0	0	0	0	0
UNION	608	25,591,958	6,398	124,377	217,532	0	348,307
UPSON	372	4,872,236	1218	55,952	81,610	0	138,780
WALKER	17	7,210,508	180	2,062	9,186	0	11,428
WALTON	710	33,099,461	8,275	353,833	550,109	0	912,217
WARE	16	79,576	20	955	1,295	0	2,270
WARREN	53	235,804	59	2,853	3,895	0	6,807
WASHINGTON	2	10,540	3	106	193	0	302
WAYNE	421	3,136,886	784	37,329	43,289	0	81,402
WEBSTER	22	346,989	87	4,236	4,497	0	8,820
WHEELER	2	15,515	4	162	163	0	329
WHITE	683	23,096,056	5,774	113,386	378,424	0	497,584
WHITFIELD	6	111,287	28	223	1,903	0	2,154
WILCOX	3	18,954	5	294	258	0	557
WILKES	451	5418653	1,355	36,960	75,861	0	114,176
WILKINSON	183	1077737	69	10,691	16,435	0	27,395
WORTH	789	17470793	4,368	170,200	179,250	5,765	359,583
TOTAL	51,194	1,472,386,649	368,098	12,290,225	23,780,462	1,499,774	37,938,559

Figure 15 below and Figure 16 on the following page illustrates the amount of revenue loss, the ever increasing amount of value removed annually from digests affected by the Conservation Use Valuation program since 1993.

Figure 15 - Conservation Use Revenue Loss

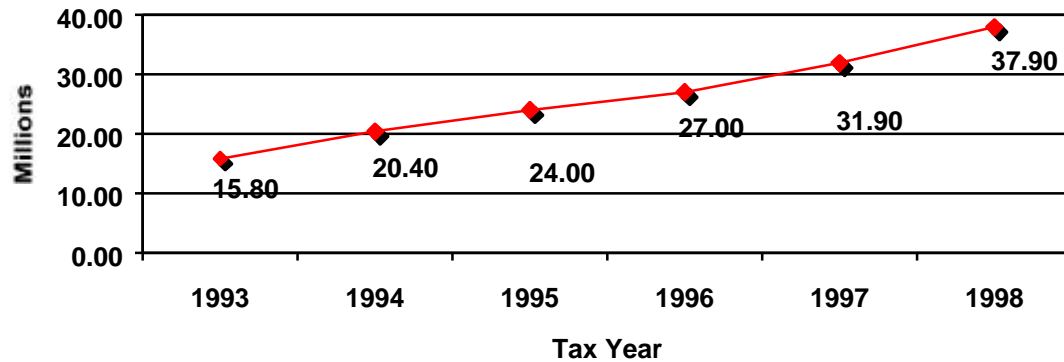
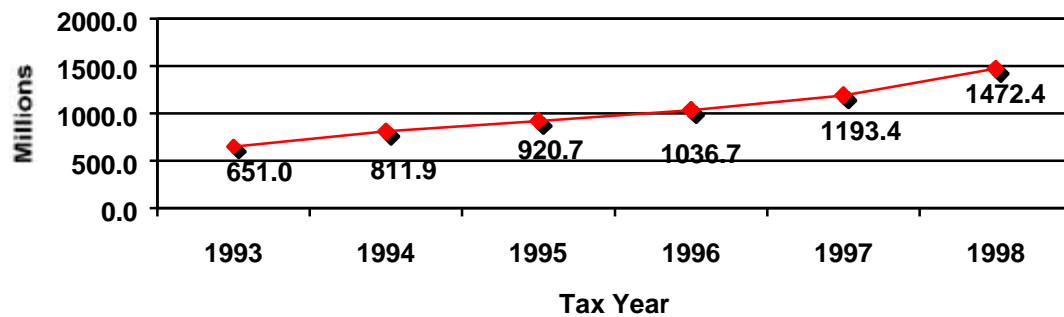


Figure 16 - Conservation Use Assessed Value Eliminated



Timber Impact Report

Prior to 1992, timber was taxed annually as part of the tax digest. At that time, approximately 82 counties placed some value on standing timber, while other counties either did not tax timber at all or could not identify the value separate from the land value.

Along with Conservation Use Valuation, the amendment to the Georgia Constitution, which was approved by the electorate in 1991, also provided for a one time assessment on harvested timber versus the annual taxation of timber as part of the value of real estate. Timber is now taxed once at its current value when harvested.

Pursuant to O.C.G.A. Section 48-5-7.4(s), **Table 6** below and on the following page is the report required regarding timber revenue. This report shows the 1997 total assessed value (100%) of timber and the revenue for county and school purposes as reported on each county's 1998 digest.

Effective January 1, 1996, a change in the timber tax law affected the billing of owner harvests transactions and the Department's responsibility to develop average timber value tables. The Department now develops this table of values on an annual basis, rather than on a quarterly basis.

TABLE 6 – 1997 TIMBER REVENUE REPORTED ON 1998 TAX DIGESTS

COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX	COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX
APPLING	10,566,612	79,250	139,691	218,941	DADE	497,890	2,863	6936	9,799
ATKINSON	8,933,814	98,361	122,840	221,201	DAWSON	1,222,824	11,348	22,011	33,359
BACON	5,006,846	62,335	57,579	119,914	DECATUR	11,683,176	128,515	138,446	266,961
BAKER	2,271,515	17,264	38,161	55,425	DEKALB	375,208	976	8,904	9,880
BALDWIN	4,615,148	58,935	76,842	135,777	DODGE	9,351,717	112,221	121,572	233,793
BANKS	1,689,050	12,491	17,566	30,057	DOOLY	2,105,509	25,266	37,478	62,744
BARROW	341,872	2,735	6,673	9,408	DOUGHERTY	2,153,584	24,120	38,894	63,014
BARTOW	3,265,797	21,682	61,332	83,014	DOUGLAS	1,662,747	16,095	30,096	46,191
BEN HILL	3,726,535	55,898	75,462	131,360	EARLY	4,772,768	27,587	59,182	86,769
BERRIEN	4,764,080	58,360	53,596	111,956	ECHOLS	11,577,030	128,968	145,292	274,260
BIBB	1,706,099	23,160	30,498	53,658	EFFINGHAM	10,544,405	90,735	192,963	283,698
BLECKLEY	1,641,494	18,992	21,996	40,988	ELBERT	3,302,958	28,141	47,893	76,034
BRANTLEY	10,172,678	149,013	164,289	313,302	EMANUEL	12,062,814	91,316	126,660	217,976
BROOKS	2,820,326	29,670	39,118	68,788	EVANS	1,471,473	13,037	20,601	33,638
BRYAN	7,478,673	53,986	127,137	181,123	FANNIN	61,916	391	737	1,128
BULLOCH	10,973,138	96,783	114,121	210,904	FAYETTE	1,124,907	6,519	27,931	34,450
BURKE	8,252,886	39,614	89,956	129,570	FLOYD	2,864,695	30,051	48,270	78,321
BUTTS	2,825,000	53,562	49,777	103,339	FORSYTH	137,000	425	2,377	2,802
CALHOUN	1,494,869	18,297	15,756	34,053	FRANKLIN	782,098	4,208	11,075	15,283
CAMDEN	19,741,084	338,757	315,857	654,614	FULTON	1,734,397	16,998	34,592	51,590
CANDLER	2,371,104	23,506	27,268	50,774	GILMER	1,528,157	9,520	19,790	29,310
CARROLL	3,646,038	18,959	62,947	81,906	GLASCOCK	2,252,085	35,245	32,002	67,247
CATOOSA	795,034	2,800	11,527	14,327	GLYNN	8,378,636	63,007	143,777	206,784
CHARLTON	13,315,818	171,514	219,578	391,092	GORDON	476,904	3,367	8,775	12,142
CHATHAM	6,213,109	72,321	124,138	196,459	GRADY	6,146,273	42,655	89,121	131,776
CHATTAHOOCHEE	811,608	1,777	8,684	10,461	GREENE	10,529,848	95,295	126,358	221,653
CHATTOOGA	590,122	5,285	5,901	11,186	GWINNETT	760,525	7,643	15,781	23,424
CHEROKEE	2,230,538	15,279	46,284	61,563	HABERSHAM	1,283,037	8,661	14,473	23,134
CLARKE	4,258,338	61,916	80,908	142,824	HALL	1,077,710	7,436	15,713	23,149
CLAY	2,400,000	37,344	21,648	58,992	HANCOCK	15,557,257	431,558	261,673	693,231
CLAYTON	600,031	2,790	11,005	13,795	HARALSON	3,750,200	35,102	56,253	91,355
CLINCH	10,000,000	88,500	140,000	228,500	HARRIS	3,935,323	25,698	64,736	90,434
COBB	262,791	2,010	4,686	6,696	HART	1,086,276	4,443	18,651	23,094
COFFEE	8,431,883	34,486	141,234	175,720	HEARD	5,064,933	48,117	74,708	122,825
COLQUITT	10,601,198	146,949	96,471	243,420	HENRY	2,099,056	19,563	45,130	64,693
COLUMBIA	7,599,550	50,917	136,868	187,785	HOUSTON	2,795,776	23,205	34,556	57,761
COOK	2,085,840	14,269	32,331	46,600	IRWIN	4,551,821	50,753	75,970	126,723
COWETA	3,328,936	18,053	68,243	86,296	JACKSON	719,592	5,459	13,946	19,405
CRAWFORD	3,784,478	55,821	58,887	131,450	JASPER	6,799,837	77,654	106,417	184,071
CRISP	4,004,563	47,054	58,887	105,941	JEFF DAVIS	5,996,635	41,197	76,457	117,654

TABLE 6 (Continued)– 1997 TIMBER REVENUE REPORTED ON 1998 TAX DIGESTS

COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX	COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX
JEFFERSON	9,456,265	108,756	108,747	217,503	RICHMOND	1,500,000	8,865	30,855	39,720
JENKINS	6,742,132	96,884	78,950	175,834	ROCKDALE	1,094,400	14,183	27,338	41,521
JOHNSON	6,833,163	93,614	97,373	190,987	SCHLEY	4,134,080	54,115	65,112	119,227
JONES	7,089,375	66,007	89,681	155,688	SCREVEN	7,327,534	95,038	111,379	206,417
LAMAR	1,730,015	14,273	29,047	43,320	SEMINOLE	2,838,757	17,913	43,405	61,318
LANIER	1,794,017	18,532	32,364	50,896	SPALDING	967,915	11,179	18,226	29,405
LAURENS	11,011,125	71,572	155,587	227,159	STEPHENS	931,598	8,133	15,371	23,504
LEE	2,794,649	34,933	44,155	79,088	STEWART	5,510,400	62,488	68,164	130,652
LIBERTY	9,098,760	109,731	161,958	271,689	SUMTER	4,124,488	42,895	63,517	106,412
LINCOLN	3,861,826	45,029	62,484	107,513	TALBOT	4,774,954	75,779	72,961	148,740
LONG	10,666,743	149,334	168,535	317,869	TALIAFERRO	6,947,196	115,254	113,170	228,424
LOWNDES	4,458,764	22,918	63,939	86,857	TATTNALL	6,057,762	95,949	73,905	169,854
LUMPKIN	531,326	5,420	7,795	13,215	TAYLOR	2,212,580	17,701	20,134	37,835
MACON	1,222,565	11,015	19,072	30,087	TELFAIR	6,144,770	50,694	83,692	134,386
MADISON	2,087,162	18,587	22,750	41,337	TERRELL	2,561,524	30,482	37,398	67,880
MARION	4,768,733	35,813	71,531	107,344	THOMAS	6,897,407	41,516	60,363	101,879
MCDUFFIE	3,783,792	34,735	51,081	85,816	TIFT	2,500,803	23,086	29,384	52,470
MCINTOSH	10,752,570	99,461	166,665	266,126	TOOMBS	3,973,786	25,432	49,871	75,303
MERIWETHER	6,632,737	66,420	112,757	179,177	TOWNS	0	0	0	0
MILLER	886,188	13,736	14,613	28,349	TREUTLEN	4,583,946	71,876	55,832	127,7087
MITCHELL	2,729,405	35,755	20,525	56,280	TROUP	5,045,715	44,554	84,667	129,221
MONROE	1,548,209	9,444	18,842	28,286	TURNER	3,626,302	50,768	48,955	99,723
MONTGOMERY	2,340,554	20,316	63,194	83,510	TWIGGS	7,722,085	84,402	142,472	226,874
MORGAN	8,729,952	87,038	126,584	213,622	UNION	66,105	387	562	949
MURRAY	1,435,595	8,326	19,381	27,707	UPSON	1,352,807	14,786	21,307	36,093
MUSCOGEE	121,251	0	2,955	2,955	WALKER	813,091	3,195	13,205	16,400
NEWTON	2,081,666	19,953	41,904	61,857	WALTON	2,730,569	29,572	46,420	75,992
OCONEE	2,282,820	20,317	39,493	59,810	WARE	21,725,644	244,413	392,800	637,213
OGLETHORPE	10,219,336	101,478	158,400	259,878	WARREN	12,781,306	154,654	211,147	365,801
PAULDING	3,244,449	28,551	71,053	99,604	WASHINGTON	16,149,022	148,091	287,291	435,382
PEACH	528,520	7,854	8,192	16,046	WAYNE	20,409,465	242,873	281,651	524,524
PICKENS	431,498	2,766	5,998	8,764	WEBSTER	2,434,690	40,197	31,554	71,751
PIERCE	5,050,262	48,483	77,320	125,803	WHEELER	5,248,322	55,790	57,732	113,522
PIKE	1,125,050	9,642	15,739	25,381	WHITE	557,115	3,844	8,886	12,730
POLK	2,045,335	23,501	29,044	52,545	WHITFIELD	929,575	1,871	15,767	17,638
PULASKI	2,384,028	29,085	36,166	65,251	WILCOX	7,084,677	109,812	89,338	199,150
PUTNAM	8,781,066	110,027	111,783	221,810	WILKES	16,868,989	130,735	211,875	342,610
QUITMAN	1,391,102	20,700	22,814	43,514	WILKINSON	11,500,000	111,780	178,250	290,030
RABUN	0	0	0	0	WORTH	7,678,929	84,929	90,995	175,924
RANDOLPH	8,668,186	59,550	119,968	179,518	STATE TOTAL	755,045,991	8,134,840	11,212,071	19,346,911

Figures 17 and 18 show the amount of timber value reported and the amount of tax levied for county and school tax purposes for the years 1993 through 1998.

Figure 17 - State Wide Timber Values

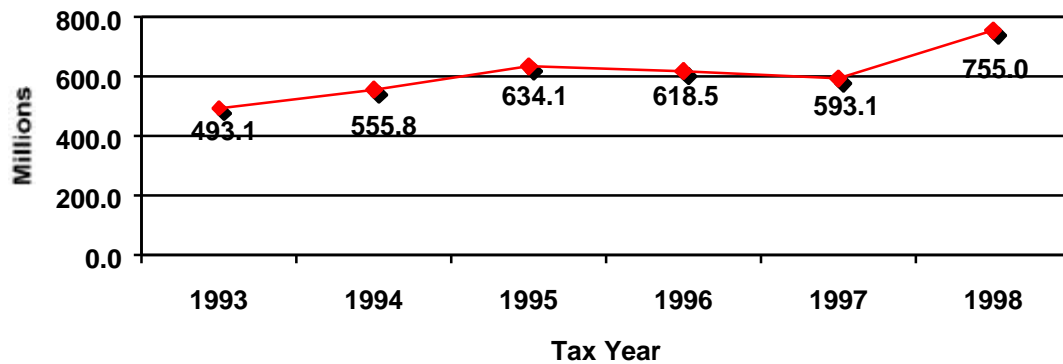
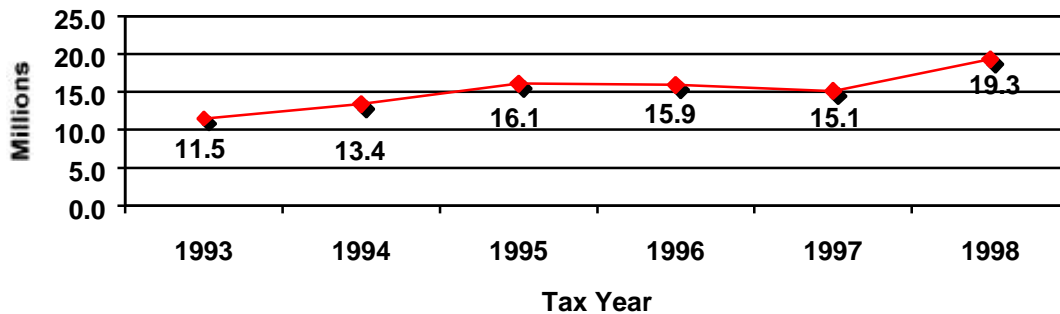


Figure 18 - County and School Revenue from Timber



Georgia Appraisal Procedures Manual

In 1997, O.C.G.A. Section 48-5-269.1 was amended to require the Commissioner to develop and maintain a procedural manual for use by county property appraisal staffs in appraising tangible real and personal property for ad valorem tax purposes.

During the last two years, the Department has been in the process of developing the Georgia Appraisal Procedures Manual (APM). Six Task Groups were set up for this purpose with each group consisting of employees from the Department of Revenue, local government tax officials, industry leaders, members of the legal community, professional tax practitioners, educators, and lawmakers. These task groups focused on specialized areas and sought consensus on what should be included in the manual. Examples of issues addressed included Economic Life Groups and Depreciation Tables, Personal Property Return and Reporting form Revisions, Valuation of Urban Land, etc.

Over 8 drafts of the Appraisal Procedures Manual were circulated and six public hearings held throughout the State for the purpose of gathering all interested parties into a setting whereby each draft was discussed in depth and comments considered prior to the start of the promulgation of the Rules and Regulations. These public hearings were attended by hundreds of individuals and broadcast over the Georgia Statewide Academic and Medical Systems (GSAMS) teleconferencing network. Dozens of individuals submitted official public comments in which the Department considered each, determining the impact to the procedures outlined in the manual.

The promulgation of the Appraisal Procedures Manual was started in September 1999 with the official adoption of the Rules and Regulations becoming effective on or about October 11, 1999.

The entire process is documented on our website at www2.state.ga.us/departments/dor/ptd/

The Appraisal Procedures Manual is an ongoing process, as future additions to the manual will include requirements and provisions of Governor Barnes' "Taxpayer Bill of Rights", appeal process, public relations and many other topics that are applicable.

Satellite Imagery Project

The Georgia Department of Revenue (DOR) has now completed the development and training for the DOR Satellite Imagery Project (SIP). SIP uses Landsat Satellite data and GIS technology to identify and monitor possible timber harvests. The DOR Satellite Imagery Project has addressed several issues that impact the Department of Revenue's mission.

In 1991 (effective 1992) legislation in House Bill 283 was established. This bill changed the method of reporting timber harvesting and collecting taxes from an annual ad valorem tax to a one-time tax at time of sale or harvest. Today's timber tax system requires the buyers and sellers of timber to file reports to the local tax officials stating the amount of timber sold or harvested. This report, depending upon the nature of the transaction, contains either the lump sum amount of the transaction, or perhaps the volumes of wood per wood type, i.e., pulpwood, saw timber, hardwood pulpwood, etc. and includes location information such as map identification numbers and total acres.

The HB 283 reporting method, however, provided an opportunity for false reporting. With unverified reporting of the amount of timber in the transaction, many county tax officials felt that reporting may not be accurate. As possible solutions began to be discussed, the timber industry came forth with the idea of using Satellite Imagery for the monitoring of timber harvests. The mainstream timber industry held their reporting was accurate and correct, and this passive enforcement mechanism would catch those persons not complying with the new law, without imposing new burdensome reporting requirements on those that were in compliance.

With the support of the timber industry, and pressure to better enforce the timber reporting being demanded the county tax officials, the Legislature appropriated \$250,000 in year one, and \$150,000 each year thereafter to implement the Satellite Imagery Project. The bill's intent was to provide funding for DOR to start the project, provide technological training, and then maintain the project internally, with a possible minimal reimbursement from the county tax officials.

The Department's Satellite Imagery Project provides the local tax officials with a powerful discovery GIS tool. The GIS software, Map Objects LT and Visual Basic, contains five layers of information. The first are two LandSat TM (30 meters) of different year and the second a simplified classified layer showing the polygon that changed. The three additional layers are Digital Orthophoto Quarter Quads, Digital Raster Graphics, and transportation systems provided by the Georgia GIS Data Clearinghouse. This GIS tool is used to identify land areas that are more likely to have been harvested. The local officials can readily, timely and easily identify land parcels and verify that timber reports have been properly filed. The Satellite Imagery Project will further provide an estimate of the acreage harvested, which prior to this project was not possible in many instances.

In 1996, O.C.G.A. § 48-5-270 was amended by the legislature, requiring DOR to actively pursue technological advances for the benefit of both State Revenue enforcement as well as local enforcement. The Satellite Imagery Project is considered by the Department as the flagship project for O.C.G.A. § 48-5-270. We believe that with this successful project, we have complied with the mandate of the legislature to provide such technological projects to the counties. The Department expects the Satellite Imagery Project to provide information previously unattainable through conventional methods of discovery due to manpower and property access limitations.

Property Tax in Georgia is excellent due in large part to the dedication of the state and county staffs, however, the strain of maintaining a uniform and fair system with limited resources is beginning to show. Trends show assessment quality beginning to again deteriorate and the trend cannot be stopped without either another round of expensive revaluations in the next three years or a greater centralization of expertise that can be made available to counties. With the passage of conservation use, new digest review procedures, the development of public utility equalization ratios and the new method of timber taxation, The Governor's "Taxpayer Bill of Rights", and the "Homeowner Tax Relief Grants", the resources of the Property Tax Division of the Department have been exhausted to the point that it has become necessary to cut back

severely on state provided services. This cut back of state provided services will continue unless additional staffing is provided to the Department to carry on the responsibilities of administering property tax.

The Department believes the following improvements will significantly reduce the cost to Georgians of our system of taxation while improving the uniformity of assessments:

1. Increase the number of field positions assigned to the administration of ad valorem tax from the current 15 positions

- The 15 Property Tax field positions are currently responsible for digest review, conservation use development, timber taxation, public utility review, satellite imagery, mass appraisal development and support, auditing of county digests, auditing of state tax collections, the training of assessors, appraisers, board of equalization members and tax commissioners, legislation review, development of rules and regulations, and special projects that have become more and more frequent. In addition to these ongoing responsibilities, the Governor's "Taxpayer Bill of Rights" (Senate Bill 177) and the "Homestead Tax Relief Grants" (House Bill 553) have caused the Department's resources to be strained to the point that a cutback in duties is beginning to take its toll.

- Of the total 15 positions, there are currently only 10 field staff positions dedicated to the administration of the assessing functions of ad valorem tax; of which 2 of these 10 positions are dedicated entirely to instruction and the State's mass appraisal system. This leaves only 8 positions to assist 159 county boards of tax assessors in their responsibilities of maintaining uniform and equalized property values.

- The Governor's "Taxpayer Bill of Rights" has already required the Department to dedicate personnel time and resources to provide counties with the training and guidance in gearing up to implement the many changes required for tax year 2000. It is estimated that these field appraisers spend approximately 20% of their time advising the county tax officials on the proper implementation of this new legislation. This has caused further strain to the Property Tax Division's staff.

- The development of the "Appraisal Procedures Manual" required in O.C.G.A. 269.1 has been an ongoing process for the last two years and will continue to require the Department to focus on this responsibility as legislation affecting the property tax process is passed. The manual currently contains some reserved sections that will need to be developed to include appeal procedures, county appraisal staff requirements, uniform assessment standards, and other

responsibilities regarding property tax matters. This ongoing responsibility will almost certainly cause further cutbacks in the effectiveness of the Division staff.

- The Governor's "Homeowner Tax Relief Grants" legislation is currently administered by 5 Property Tax Division auditors who spend approximately 30% of their time advising the county tax officials on the provisions of this new legislation. The responsibilities of the staff auditors consist of insuring that the counties are properly and accurately providing taxpayers with the amount of credit contemplated in the Governor's legislation, that the grants are distributed to the counties timely, and that the current funding of \$83 million is adequate to fund the program.

– For these reasons, the Department recommends that the requested package of 6 additional field appraisers and 2 additional field auditors be funded in the 2001 Budget.

2. Continue Funding for Satellite Imagery

- For fiscal year 1998, \$250,000 was funded for the implementation of Satellite Imagery as a tool for verifying timber harvests throughout the state. And although funding has been provided for continuing this project during the 1999 and 2000 fiscal year, this project is an on-going one that requires the purchase of additional imagery every year or every other year in order to compare the ground cover changes that have occurred. The project also demands certain computer software and hardware for providing source data to county tax officials and other agencies interested in this technology. Training to both state and county officials is also required in insuring that the use and editing of the data is accurate for the intended use. In order to maintain the project, it is recommended that continuous funding be provided to the Department for this purpose.

3. Conduct Research Into Rapidly Evolving Technologies

- The past year has constituted a period of impressive change toward modernization of the Revenue Department, so as to provide accurate, fair and cost effective administration of the state tax laws. A commitment has been made to provide taxpayers and county tax officials with the information needed utilizing the most up-to-date technology available. This commitment has the future possibility of enhancing compliance and providing critical information for tax policy makers and those involved in taxpayer issues, as well as providing quality customer service to all interested parties. To this means, we have developed and continue to enhance a web site as a source of communication for public information services, and communication with other agencies and county tax officials. Current usage includes access to Codes, Rules and Regulations, electronic data regarding property tax procedures, homestead exemptions, filing requirements, county millage rates, digest values, motor vehicle valuations, and state and county telephone and address information. In the future, we see the web site allowing for the electronic filing of public utility returns and the distribution and transfer of mass appraisal updates. The possibilities are endless. Therefore, in order to meet the requirements of O.C.G.A. Section 48-5-270 which requires the Commissioner to actively seek out technological advancements and systems that will improve the uniformity, fairness, and efficiency of property

valuations and assessments and include these recommendations in the annual budget request, we recommend that general discretionary funding for research and development of appraisal technologies in the form of computer systems, data collection systems and data distribution systems using the Internet be made available.

4. Reinstate Budget Funds for Minimum Staff Supplements

- Up until the early 1990's the Department's budget provided for funding of one-half of the salaries of state-required minimum appraisal staffs and special salary supplements for appraisers obtaining specialized training and proving expertise in appraisal skills. Although the statutory authority still exists, neither of these programs have been funded for the last several years. The Department believes there is benefit to be gained in reinstating the staff grants to counties to encourage proper staffing levels and assessment practices. The additional state tax collected on digests that do not meet the overall statistical measures is a viable source for funding these supplements.

The Department desires to provide to the legislature all information necessary for the proper evaluation of legislative impact and implementation of property tax policies. It is hoped this report can be a tool for

further understanding the state of Property Tax Administration in Georgia. The staff of the Property Tax Division will be able to provide more information or clarification of information upon request.

Respectfully Submitted,

T. Jerry Jackson
Revenue Commissioner